



CHAIRMAN'S REPORT

Q4 2016

The Board of Directors at *AML Foods Limited* announced results for the fourth quarter ended April 30, 2017 reflecting a net profit of \$2,078m after pre-opening costs of \$78 compared to \$1,564m for the same period in the previous year. Sales for the quarter were \$39,946m compared to \$39,052m an increase of 2.29% for the same period in the prior year.

We are pleased to record another positive quarter in sales. Our performance is being driven by improvements in our operating profits arising from steady sales increases and a reduction in shrink, as well as management of expense lines for same stores. Traffic counts remain strong as we continue to drive value and quality for our customers.

Construction on Solomon's Yamacraw is progressing well. We are nearing the end of our building construction phase and moving into the equipment installation and final interior finishes phase. We remain on schedule for a fall 2017 opening, and we are looking forward to this new opportunity to give the residents of eastern New Providence the same quality products and excellent service that our other customers enjoy. With the addition of the new store, we expect to see continued sales growth and earnings for our shareholders.

Based on our quarter results, the Board of Directors have approved an ordinary dividend payment of \$0.02 per share, payable on June 30, 2017 to shareholders on record as of June 23, 2017.

We thank our loyal customers, dedicated staff and shareholders for their continued support of *AML Foods Limited*.

Franklyn A. Butler, II
Chairman

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED APRIL 30, 2017**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2017	Quarter Ended April 30, 2016
Assets		
Current assets		
Cash and bank balances	\$ 4,551	9,483
Receivables, net of provisions	1,353	1,253
Merchandise inventories, net of provisions	18,443	16,152
Other current assets	3,195	2,953
	27,542	29,841
Fixed assets		
Property and buildings	22,053	16,580
Equipment	6,711	7,162
Leasehold improvements	7,401	8,104
Work In Progress	5,877	392
	42,042	32,238
Goodwill	3,019	3,019
Term deposits with maturities greater than 90 days	272	917
	3,291	3,936
	\$ 72,875	66,015
Liabilities and Equity		
Current liabilities		
Bank overdraft	\$ 153	130
Accounts payable and accrued expenses	12,296	11,772
Current portion of preference shares	1,775	1,775
Current portion of bank loan	1,444	623
	15,668	14,300
Long-term liabilities		
Preference shares	13,761	15,536
Bank loan	7,051	5,621
	20,812	21,157
Equity		
Ordinary shares	7,525	7,524
Capital paid in excess of par	2,230	2,231
Property revaluation surplus	3,159	3,159
Retained earnings	23,481	17,644
	36,395	30,558
	\$ 72,875	66,015

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF INCOME

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2017	Quarter Ended April 30, 2016
Sales	\$ 39,946	39,052
Cost of sales	(26,514)	(26,485)
Gross profit	13,432	12,568
Selling, general and administrative expenses	(11,106)	(10,761)
Other operating income	126	106
Net operating profit	2,452	1,912
Interest expense	(93)	(87)
Dividends on preference shares	(233)	(261)
Net profit from continuing operations	\$ 2,126	1,564
Pre-Opening expenses	(78)	
Net profit from continuing operations	\$ 2,048	1,564
Profit per share	\$0.136	\$0.104

	Twelve Months Ended April 30, 2017	Twelve Months Ended April 30, 2016
Sales	\$ 156,808	152,627
Cost of sales	(105,069)	(103,993)
Gross profit	51,739	48,634
Selling, general and administrative expenses	(44,060)	(42,814)
Other operating income	810	749
Net operating profit	8,489	6,569
Interest expense	(333)	(243)
Dividends on preference shares	(988)	(1,054)
Net profit from continuing operations	\$ 7,168	5,272
Pre-Opening expenses	(126)	
Extraordinary Income	-	34
Net profit from continuing operations	\$ 7,041	5,306
Profit per share	\$0.468	\$0.353

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of Bahamian dollars)

	No. of Shares	Retained Earnings	Share Capital	Contributed Surplus	Treasury Shares	Revaluation Surplus	Total
April 30, 2016	15,049	\$ 17,644	7,525	2,230	-	3,159	\$ 30,558
Net profit for period		7,041				-	7,041
Revaluation						-	-
Cancellation of treasury shares						-	-
Shares repurchased						-	-
Declared dividends		(1,204)				-	(1,204)
April 30, 2017	15,049	\$ 23,481	7,525	2,230	-	3,159	\$ 36,395
April 30, 2015	15,112	\$ 13,552	7,556	2,323	(125)	3,159	\$ 26,465
Net profit for period		5,296	-	-	-	-	5,296
Revaluation				-		-	-
Shares repurchased					-	-	-
Cancellation of treasury shares	(63)		(32)	(93)	125	-	-
Declared dividends		(1,203)	-	-	-	-	(1,203)
April 30, 2016	15,049	\$ 17,645	7,524	2,230	-	3,159	\$ 30,558

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of Bahamian dollars)

	Quarter Ended April 30, 2017	Quarter Ended April 30, 2016
Cash flows from operating activities		
Net profit for period	\$ 2,048	1,564
Adjustments for:		
Depreciation and amortization of franchise fees	1,161	1,106
Dividends on preference shares	233	261
Decrease in inventory provision	(467)	(344)
Increase / (Decrease) in provision for doubtful debts	47	(1)
Operating cash flow before changes in working capital	3,022	2,586
Working capital source / (use)		
Merchandising inventories	(976)	1,153
Accounts receivable	77	399
Other current assets	(214)	189
Accounts payable and accrued expenses	1,450	611
Net cash provided by operating activities	3,359	4,938
Investing activities source / (use)		
Additions to property, plant and equipment	(6,346)	(452)
Movement on investments	(200)	-
Net cash used in investing activities	(6,546)	(452)
Financing activities source / (use)		
Proceeds from bank loan	3,000	-
Dividends on ordinary shares	(301)	(301)
Dividends paid on preference shares	(233)	(261)
Repayment of bank loan	(286)	(822)
Movement in inter-company balances	186	6
Net cash provided by/ used in financing activities	2,366	(1,378)
(Decrease) / Increase in cash	\$ (821)	3,108
Cash, beginning of period	5,219	7,162
Cash, end of period	4,398	10,270
Movement for period	\$ (821)	3,108
Cash and cash equivalents comprise cash less bank overdrafts.		

AML FOODS LIMITED

EXPLANATORY NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Quarter Ended April 30, 2017

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards using the same accounting policies and methods of computation as the Consolidated Financial Statements included in the 2016 Annual Report.

The consolidated financial statements include the accounts of AML Foods Limited, formerly Abaco Markets Limited, (“the Company”) and its significant wholly owned subsidiaries: Solomon’s Supercentre (Nassau) Limited, Cost Right Nassau Limited, Solomon’s Club (Freeport) Limited, Thompson Wholesale Limited, Caribbean Franchise Holdings Limited, Solomon’s Fresh Market Limited and CJB Limited.

2. DECLARED DIVIDENDS

On June 14, 2017, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share to be paid on June 30, 2017 to shareholders on record as of June 23, 2017. For the fiscal year beginning May 2016, the Board had previously approved dividends that were paid as follows:

On March 08, 2017, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share, which were paid on March 24, 2017 to shareholders on record as of March 17, 2017.

On December 07, 2016, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share, which were paid on December 23, 2016 to shareholders of record on December 16, 2016.

On September 07, 2016, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share, which were paid on September 21, 2016 to shareholders of record on September 16, 2016.

On June 15, 2016, the Board of Directors approved quarterly dividends of \$0.02 per ordinary share, which were paid on June 29, 2016 to shareholders of record on June 24, 2016.

3. BANK LOANS

On February 23, 2017, the Company signed a promissory note to draw down \$3m of the \$7m loan approved by the Board of Director’s on January 18, 2017. The Company anticipates that the remainder will be drawn down before December 31, 2017. At April 30, 2017, the principal balances on the \$7.25m and \$3m loans were \$5.62m and \$2.94m, respectively.

AML FOODS LIMITED

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DIRECTORS

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